



Zenith Bank Plc
Group Audited Results for the Period ended 30 June 2024

ZENITH BANK PLC RELEASES AUDITED H1 2024 RESULTS

LAGOS, NIGERIA - 30 August 2024- Zenith Bank Plc, (Bloomberg: ZENITHBA NL) (“Zenith” or the “Bank”), the Nigerian bank headquartered in Lagos, announces its audited results for the half-year ended 30 June 2024.

Financial Highlights

Income statement			
In millions of Naira	30-Jun-24	30-Jun-23	% Change
Gross earnings	2,101,372	967,261	117%
Interest and similar income	1,149,436	415,425	177%
Interest and similar expense	(434,363)	(153,564)	183%
Net interest income	715,073	261,861	173%
Impairment charge	(415,294)	(207,925)	100%
Non-interest income	899,333	515,693	74%
Operating expenses	(472,082)	(219,269)	115%
Profit before tax	727,030	350,360	108%
Profit after tax	577,997	291,731	98%
Earnings per share (NGN)	18.41	9.29	98%
Balance sheet			
In millions of Naira	30-Jun-24	31-Dec-23	% Change
Gross loans	10,150,467	7,055,447	44%
Customers' deposits	19,633,484	15,167,740	29%
Total assets	27,575,807	20,368,455	35%
Shareholders' fund	3,193,959	2,323,380	37%
Key ratios	30-Jun-24	30-Jun-23	% Change
Return on average equity (ROAE)	41.9%	36.9%	14%
Return on average assets (ROAA)	4.8%	4.1%	17%
Net interest margin (NIM)	8.8%	5.9%	49%
Cost of funds	4.4%	2.6%	69%
Cost of risk	9.7%	8.8%	10%
Cost to income	39.4%	38.5%	2%
	30-Jun-24	31-Dec-23	% Change
Liquidity ratio - Group	64.0%	71.0%	-10%
Liquidity ratio - Bank	42.0%	45.0%	-7%
Loan to deposit ratio - Group	51.7%	46.5%	11%
Loan to deposit ratio - Bank	59.3%	52.8%	12%
Capital adequacy ratio (CAR)	23.0%	21.7%	6%
Non-performing loan	4.5%	4.40%	2%
Coverage ratio	185.9%	191.1%	-3%



The Zenith Bank Group continues to deliver superior financial performance, achieving a year on year (YoY) growth in gross earnings of 117% from NGN967.3 billion reported in H1 2023 to NGN2.1 trillion in H1 2024. This has been achieved even as the Nigerian banking industry navigates a challenging macro environment.

This triple-digit growth in the top line also drove growth in our bottom line as the Group recorded a 108% YoY increase in profit before tax, from NGN350 billion in H1 2023 to NGN727 billion in H1 2024. Profit after tax also grew by 98% from NGN292 billion to NGN578 billion in the same period. This has led to growth in earnings per share (EPS) by 98% from NGN9.29 in H1 2023 to NGN18.41 in the period under review.

In maximizing value to our shareholders, we have declared an interim dividend of NGN1.00 per share. This represents the highest half year dividend pay-out in our history, and also the highest interim dividend in the Nigerian banking sector at time of going to press.

The growth in gross earnings was driven by an acceleration in both interest income and non-interest income. Propelled by the growth of and by the effective pricing of our risk assets, interest income surpassed the N1 trillion mark, a half-year record, growing by 177% from NGN415.4 billion in H1 2023 to NGN1.1 trillion in H1 2024, while non-interest income grew by 74% from NGN515.7 billion to NGN899.3 billion.

We continued to strive for operational efficiency, resulting in only a marginal increase in our cost-to-income ratio YoY from 38.5% to 39.4%. The heightened risk environment has fuelled a growth in impairment levels, thus mildly elevating the cost of risk from 8.8% to 9.7%. Our cost of funds grew YoY from 2.6% to 4.4% given the high-interest rate environment. This also resulted in growth in interest expense from NGN153.6 billion in H1 2023 to NGN434.4 billion in H1 2024. Despite this, our net interest margin grew by 49% from 5.9% in H1 2023 to 8.8% in H1 2024, underscoring the efficient repricing of our interest earning assets and interest accruing liabilities.

Total assets grew by 35% from NGN20.4 trillion in December 2023 to NGN27.6 trillion in June 2024, while customer deposits grew by 29% from NGN15.2 trillion in December 2023 to NGN19.6 trillion in June 2024. Gross loans also grew by 44% from NGN7.1 trillion in December 2023 to NGN10.2 trillion in June 2024 aided by loans disbursements to customers and the translation effect of foreign currency denominated loans. Our consistent stringent risk acceptance criteria helped ensure that the non-performing loan ratio continued to show only modest growth, increasing from 4.4% in December 2023 to 4.5% in June 2024 despite the challenging macroeconomic environment. Our capital adequacy ratio improved from 21.7% in December 2023 to 23% in June 2024, our loan-to-deposit ratio grew by 11% from 46.5% to 51.7%, while our liquidity ratio reduced from 71% to 64% in the current period. All prudential ratios are still well above regulatory thresholds.



Our strong brand equity and excellent service quality, position us to mine new business opportunities in strategic sectors of the economy, in existing geographies where we have a presence, and in new geographies we are exploring. In furtherance of our expansion plans, we have received regulatory approval for the establishment of a third-country branch in Paris, France, which, when fully operational, will enhance our product offerings in international markets.

We will continue to invest in our digital banking capabilities, and we are expediting the completion of our technology infrastructure upgrade. Our track-record of successful capital raises puts us on a solid footing to meet the new minimum capital requirements for commercial banks with international authorisation, well ahead of the deadline set by the CBN.

We are undoubtedly on track for a record year in our financial performance. We will continue to deliver maximum value to our shareholders, while ensuring a strong corporate governance culture

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Notes to editors:

About Zenith Bank Plc

Zenith Bank Plc offers its clients a wide range of corporate, investment, business and personal banking products and solutions. It is one of the biggest and most profitable banks in Nigeria. The bank was established in May 1990 and started operations in July same year as a commercial bank. It became a public limited company on 17 September, 2004 and was listed on the Nigerian Stock Exchange on 21 October, 2004 following a highly successful Initial Public Offering (IPO). Zenith Bank listed on the London Stock Exchange via a non-capital raising GDR on 21 March, 2013. The bank presently has a shareholder base of over half a million, an indication of the strength of the Zenith brand.

It is headquartered in Lagos, Nigeria. With over five hundred (500) branches and business offices nationwide, Zenith Bank has presence in all the state capitals, the Federal Capital Territory (FCT) and major towns and metropolitan centres in Nigeria. The bank's expansion is not limited to Nigeria as Zenith became the first Nigerian bank in 25 years to be licensed by the Financial Services Authority (FSA) in the UK for the commencement of banking operations by Zenith Bank (UK) Limited in April, 2007. This is in addition to its presence in Ghana, Zenith Bank (Ghana) Limited, Sierra Leone, Zenith Bank (Sierra Leone) Limited, Gambia, Zenith Bank (Gambia) Limited, a representative office in Beijing, China, the Dubai branch of Zenith Bank UK and the third-country branch in Paris, France.

More information can be found at www.zenithbank.com